

PUEBLO OF LAGUNA

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Office of:

The Governor
The Secretary
The Treasurer

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12/7/82

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December 3, 1982

Mr. Jim Marvin
President
Anaconda Minerals Company
555 17th Street
Denver, CO 80217

Dear Mr. Marvin:

Pursuant to our meeting in Denver of November 18, 1982, at which time I committed to give the Pueblo's position with regard to various reclamation issues in writing, I submit the following:

RESOLVED ISSUES:

It is the understanding of the Pueblo of Laguna that the following issues have been resolved with regard to reclamation:

1. Placement of rock piles. The Pueblo requested and Anaconda Minerals Company (AMC) agreed to the removal of all rockpiles from the waste piles and that it will not emplace any additional rock piles during reclamation activities.

2. Use of tree seedlings. The Pueblo has agreed with AMC that between five hundred (500) and one thousand (1,000) tree seedlings will be planted in the reclaimed area, and AMC will assure that a minimum of 400 trees survive three (3) years after planting. The parties agreed that of the trees planted ninety-five percent (95%) will be one-seed juniper and five percent (5%) will be pinon pine.

3. Revegetation species. The parties have agreed to the types of revegetation species to be used in the reclamation program.

ISSUES UNDER DISCUSSION:

The technical committees in their meetings have discussed the following issues but have been unable to reach a conclusion with regard to these particular items. The Pueblo has been advised by local AMC representatives that each of the following issues will require an upper level management decision. The following, then, is a reiteration of the Pueblo's position with regard to these various issues:

1. Monitoring. It is the position of the Pueblo of Laguna that monitoring activities must take place on an on-going basis for a period of no less than ten (10) years. The Pueblo is of the opinion that due to topography resulting from the reclamation process, the instability of the soils, the materials to be used in the backfilling process and the material composition of the waste piles, it will be at

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least ten years before any kind of determination can be made as to the stability of the reclaimed areas and the success of the reclamation program. Because of the radical changes in the environmental conditions, i.e., unusually heavy rainfalls, periods of drought and strong seasonal windstorms, sufficient time must be allowed for possible change in conditions and its subsequent effect on the reclamation measures undertaken. The Company and Minerals Management must bear in mind that the reclamation of the Jackpile-Paguate mine will be the first such undertaking within this country of a large open-pit uranium mine and that we lack the benefit of knowledge or adequate reclamation measures and successes of reclaimed uranium mines.

2. Wastepile Slopes. The Pueblo is of the opinion that all slopes, including wastepile slopes, must be no greater than 3 to 1 and that there will be no terracing of slopes or construction of drop structures. This position relates to wastepile slopes, both within and without the open pits. The Pueblo also is of the opinion that the slopes should be contour furrowed. The Pueblo's position is based on the very obvious proposition that the less steep the slopes the less erosion which would result from heavy rain and the possibility of greater success of revegetation due to the elimination of seed loss through erosion. Additionally, the gentler slopes would provide easier access for the livestock.

3. North Paguate Pit. The Pueblo insists that the highwall in the North Paguate pit must be removed and replaced with a 3 to 1 slope. The Pueblo further is of the position that the entire North Paguate pit must be backfilled to pit plain level. The purpose for the Pueblo's insistence upon this activity in the North Paguate pit is based upon reasons of establishing an environment conducive to grazing productivity and the elimination or maximum mitigation of unsafe conditions. Of all the mining activities conducted by AMC, the North Paguate pit is the closest to the Village of Paguate. It is the area of the mine that will be frequented most often by residents of the Village and probably by residents of the reservation in general. It is imperative, therefore, that every consideration be given to reclaiming this area in a manner which will eliminate any and all hazardous conditions and will render it useful, to the extent possible, by the residents of the Village.

4. South Paguate highwall. The position of the Pueblo with regard to the South Paguate highwall is that the pit should be backfilled to the greatest extent possible, the highwall must be eliminated and the area sloped on a 3 to 1 incline. The South Paguate pit poses a hazard to any persons or livestock traveling in that area. Additionally, facilities in that area proposed to be turned over to the Pueblo are located very near to the South Paguate pit. It is the intent of the Pueblo to make complete use of the buildings resulting in occupation of the area by as many as seventy-five to one hundred people during normal working hours.

5. Railroad Spur. The Pueblo of Laguna, as AMC is aware, is considering the potential of mining the remaining reserves at the mine site. Additionally, the Pueblo is attempting to attract some industry to the reservation with the thought in mind that it may be able to utilize some of the existing facilities at the mine

site. If the Pueblo is able to utilize the mine site for additional mining and/or industry, it would be to its benefit to have the railroad spur left intact. It is for these reasons that the Pueblo desires to have the railroad spur transferred to the Pueblo of Laguna.

6. Buildings and Equipment. The Pueblo previously requested the Company to transfer certain buildings and equipment to it. To date no response has been received from the Company.

7. Damage to Pagate Housing. The Pueblo restates its request that the study previously performed by Mr. Louis Oriard for Anaconda with regard to potential damage of Pagate housing due to the mining operations be provided to the Pueblo for evaluation. The Pueblo will await analysis of the AMC study before further discussion of this issue.

8. Mesita Reservoir. The Pueblo acknowledges the results of the AMC study showing that most of the sedimentation existing in the Mesita Reservoir was pre-mining sedimentation and that the water is acceptable under the standards set forth in the Safe Drinking Water Act. The Pueblo has advised AMC previously, however, that in accepting the results of this study, it would request of AMC that it develop a well on the west side of Mesita Reservoir for irrigation. Mesita Reservoir has served the Village of Mesita as a source of irrigation water for several decades and that Village is in need of an alternative irrigation water source.

9. Topsoil. The Pueblo has previously advised the technical committee that it will accept one foot of topsoil if the slopes on the waste dumps are reduced to 3 to 1 and the contour furrowing is utilized in the revegetation process. The Pueblo's objective is to prevent or minimize erosion.

10. Stabilization of Arroyo Headcuts. The Pueblo of Laguna will continue to rely on AMC and MMS to resolve the technical differences relative to grade-control vs. minimization of run-off. The Pueblo is willing to adopt, as its position, whatever compromise is reached.

11. Post-Reclamation Grazing Management. As the Company is aware, the reclamation effort is to be geared towards stabilization and revegetation of the mine area to provide optimum grazing capacity to the Pueblo. The Company has previously voiced concern about grazing occurring on the premises prior to complete establishment of the vegetation. The Pueblo shares this concern and adopts the position that external fencing should be provided as part of the reclamation plan to prevent access to the area by livestock and that internal fencing should be provided in order to promote revegetation success. All fencing costs are to be borne by AMC. The BIA has committed to work with the Pueblo in developing a grazing management plan.

12. Disposition of Protore Stockpiles. The Pueblo has not made a dispositive decision in future uranium production. The Pueblo has received

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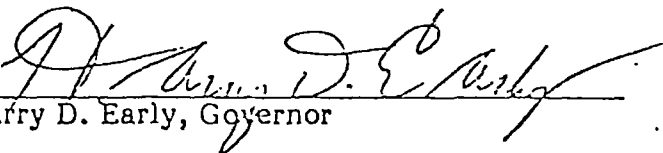
completed studies and will engage in discussions during the month of December. The Pueblo requests the patience of the Company in this regard.

13. Level of Backfill. The Pueblo of Laguna will rely on Minerals Management Service's determination as to the necessary level of backfill but will require that backfill material shall be placed to minimize adverse effects on groundwater, minimize off-site effects, and support the approved post-mining land use.

It has been the understanding of the Pueblo's technical committee that these items discussed above are matters which will require a decision by upper-level management. Indeed, the Pueblo was ready to negotiate these issues with AMC management on November 18, 1982, but it appeared that local AMC representatives had not in fact briefed upper management as promised. If the negotiations are to continue in a meaningful fashion, it is imperative that AMC respond to each of these items so that the respective positions of the parties can be established and this matter concluded. I await, therefore, AMC's early response to these reclamation issues.

Yours very truly,

PUEBLO OF LAGUNA


Harry D. Early, Governor

HDE:cm